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Economic Review

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RUSSIA NATIONAL AFFAIRS

***Price Dynamics of Consumer Goods, April 95**

954E0958A Moscow EKONOMIKA I ZHIZN in Russian May 95 No 18, p 9

[Report by the Russian Federation State Committee on Statistics: "On the Price Dynamics of Consumer Goods and Services in April 1995"]

[FBIS Translated Text] During the period 18 through 24 April, the index of consumer prices for goods and services amounted to 102.1 percent, including 101.8 percent for food products, 102.4 percent for nonfood products, and 102.2 percent for paid services to the populace.

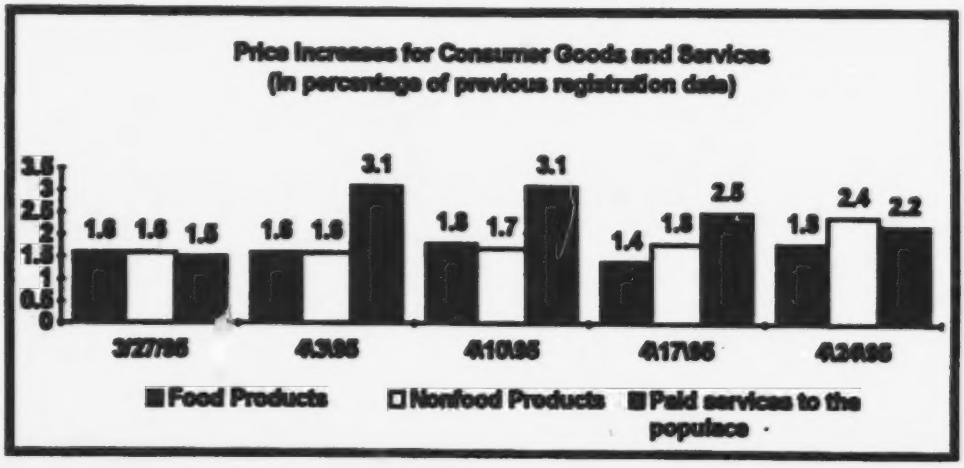
The greatest weekly increase in prices for consumer goods and services was registered in cities of the Central Region and Kaliningrad Oblast (by 2.6-2.9 percent); the least—in Uralskiy Rayon (by 1.4 percent)

Food Products. An increase in the rate of growth of prices for food products was observed last week.

During the period 18 through 24 April, the prices of bread and bakery products made from lowest-quality flour, certain cereal varieties, certain fruit and vegetable output, and alcoholic beverages rose 2-3 percent. The price increase for butter, vegetable oil, most dairy products, and eggs did not exceed 1 percent.

Since the beginning of the month, the price of bread and bakery products, fruit and vegetable output, and alcoholic beverages increased by 9-10 percent; meat products, fish products, sugar, confectionery items, flour, macaroni and cereal products—by 5-7 percent; milk and dairy products—by 3.6 percent. The cost of eggs, butter, and fats remained virtually unchanged.

The cost of the selection of 19 basic food products in Russia over the week increased by 1.6 percent, amounting to 166,400 rubles. The maximum cost of selection was maintained in cities of the Far East; the minimum cost—in cities of the Volga region. The maximum cost was 3.6 times the minimum cost. In Magadan, Petropavlovsk-Kamchatskiy, and Yuzhno-Sakhalinsk, this selection cost R309,000-322,000 on a monthly basis; in Ulyanovsk, Voronezh, and Orel—R96,000-127,000; in Moscow—R204,000; and in St. Petersburg—R179,000..



Nonfood products. During the period 18 through 24 April of this year, the galloping rate of increase of prices for nonfood products as compared with food products was maintained.

Price dynamics with respect to the main groupings of nonfood products are as follows (rendered as percentage of previous price registration date):

	10 Apr	17 Apr	24 Apr
Fabrics	102.8	102.9	104.2
Clothing and linens	101.7	102.1	102.4
Footwear	101.3	102.3	102.2

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***DELOVOY MIR Economic Statistics, 3 May**

954E0960A Moscow DELOVOY MIR in Russian 12 May 95 p 3

[Statistical survey prepared from data of the State Committee on Statistics of Russia: "The Socioeconomic Situation as of 3 May"]

[FBIS Translated Text] PRICES OF CONSUMER GOODS AND SERVICES

The consumer price index for April was 108.5 percent, including for foodstuffs—107.5 percent, nonfood items—108.7 percent, and paid consumer services—112.2 percent.

During the period from 25 April through 3 May the consumer price index for goods and services amounted to 101.5 percent, including for foodstuffs—101.6 percent, nonfood items—101.0 percent, and paid consumer services—102.3 percent. The greatest cost increase of consumer goods and services was registered in the cities of Kaliningrad Oblast (2.4 percent) and the least—in the Central Chernozem region (1.4 percent). The price indexes for goods and services on the consumer market were:

	as percentages					
	Compared to preceding price registration date			Average daily price increase during period		
	04/17	04/24	05/03	04/11-04/17	04/18-05/24	04/25-05/03
Consumer goods and services	101.7	102.1	101.5	0.24	0.30	0.16
including:						
foodstuffs	101.4	101.8	101.6	0.20	0.26	0.17
nonfood items	101.8	102.4	101.0	0.26	0.34	0.11
paid consumer services	102.5	102.2	102.3	0.36	0.31	0.25

Since the beginning of the year, consumer prices rose by 55 percent, including for foodstuffs—by 57 percent, nonfood items—by 46 percent, and paid consumer services—by 84 percent.

FOOD. During the past period there was a certain reduction of the growth rates of prices of foodstuffs.

The dynamics of the prices for the main commodity groups of foodstuffs are presented below:

	As a percentage of preceding price registration date		
	04/17	04/24	05/03
All foodstuffs	101.4	101.8	101.6
including			
meat and meat products	101.3	101.8	101.4
fish and fish products	101.1	101.6	101.1
edible fats	99.7	99.9	99.9
milk and dairy products	100.6	101.1	100.3
eggs	100.8	100.8	100.4
sugar	101.5	101.2	101.0
bread and bakery products	101.2	102.0	101.9
cereal and macaroni products	101.8	101.8	101.1
fruit and vegetable products, including potatoes	102.2	102.5	101.9

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During the period from 25 April through 3 May the greatest price increase was for bread and bakery items, fruit and vegetable products, and alcoholic beverages (2-3 percent). Meat, sausage items, and certain types of cereal increased in cost by 1.4 percent. The increase in prices for the majority of dairy products and eggs did not exceed 1 percent. Prices of oil and fats practically did not change.

The cost of the set of the 19 basic food products on average throughout Russia increased by 1.4 percent and amounted to 168,700 rubles [R]. The maximum cost of the set was retained in cities of the Far East, and the minimum—in cities of the Volga region. The differences between the maximum and minimum costs of the set in the various cities amounted to a factor of 3.5. In Magadan, Petropavlovsk-Kanchatskiy, and Yuzhno-Sakhalinsk this set cost R305,000-R334,000 per month, in Ulyanovsk, Voronezh, and Tambov—R97,000-R123,000, Moscow—R205,000, and St. Petersburg—R182,000.

NONFOOD ITEMS. During the period from 25 April through 3 May of this year the rates of increase of prices for nonfood items as for foodstuffs slowed up somewhat.

The dynamics of prices of the main groups of nonfood items are given below:

	As percentages of preceding price registration date		
	04/17	04/24	05/03
Fabrics	102.9	104.2	102.0
Clothing and linens	102.1	102.4	100.9
Footwear	102.3	102.2	101.0
Detergents	101.4	101.8	101.4
Tobacco items	102.7	103.3	102.3
Electrical goods	101.3	101.9	100.5
Medications and bandages	102.1	104.2	101.8
Gasoline	106.5	103.6	103.3

During the past week the rates of growth of prices for men's and women's clothing, knitted items, furniture, and television and radio equipment did not exceed 1 percent. At the same time prices of gasoline and imported cigarettes increased by 3.3 percent, and cotton fabrics—by 2.3 percent.

PAID CONSUMER SERVICES. The rates of growth of the rates for paid consumer services remained at the level of the preceding week.

The dynamics of the prices for the main groups of paid services are presented below:

	As percentages of preceding price registration date		
	04/17	04/24	05/03
Consumer services	101.6	101.8	100.6
Passenger transportation services	103.4	101.5	103.9
Communications services	100.3	101.6	100.6
Housing and municipal services	102.9	102.9	101.6
Services of children's preschool institutions	103.2	102.4	103.2
Health services	102.4	102.7	101.0

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The growth of the rates for paid consumer services during the past period was determined by the increased payment for travel on long-distance trains (17 percent) and services for shipping baggage (13 percent). Of the municipal services, the greatest increase was in payment for gas supply and electric energy (2-3 percent). The payment for keeping children in preschool institutions increased by the same degree. Because of the increased minimum wage, payment for services of a legal nature increased by a factor of 1.5.

INDUSTRY. The consolidated index of the average daily output of the main kinds of products during the 23 days of April 1995 as compared to the corresponding period of March 1995 was 98 percent (in April 1994—99 percent), as compared to the corresponding period of 1994—95 percent (in April 1994—73 percent).

At large and medium-sized enterprises the output of the most important types of industrial products during the 23 days of April 1995 is characterized by the following data:

	Produced during 23 days of January 1995	As percentages of corresponding period of (in terms of average daily production)	
		March 1995	April 1994
Electric power produced by public power plants, billions of kwh	51.2	87	95
Oil, including gas condensate, millions of tonnes	17.4	95	97
Primary oil refining, millions of tonnes	11.0	107	99
Natural gas, billions of cubic meters	38.2	93	95
Coal, millions of tonnes	14.4	91	87
Steel, millions of tonnes	2.9	90	97
Finished rolled ferrous metals, including semi-finished products for export, millions of tonnes	2.4	103	103
Steel pipe, thousands of tonnes	180	104	135
Coke, millions of tonnes	1.9	103	111
Small electric engines, thousands of units	156	107	103
Self-propelled cranes, units	116	81	57
Pneumatic wheel-propelled cranes, units	5	100.0	89
Metal-cutting machine tools, units	198	81	63
Trucks, thousands	8.9	80	88
Passenger cars, thousands	42.6	88	90
Tractors, units	909	63	71
Chemical filament and fiber, thousands of tonnes	15.2	116	121
Mineral fertilizer (recalculated as 100-percent nutrients), thousands of tonnes	595	104	116
Synthetic rubber, thousands of tonnes	51.0	99.0	129
Commercial timber, millions of cubic meters, high density	3.1	73	92
Lumber, thousands of cubic meters	522	96	90
Commercial cellulose, thousands of tonnes	118	91	131
Paper, thousands of tonnes	164	106	109

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	Produced during 23 days of January 1995	As percentages of corresponding period of (in terms of average daily production)	
		March 1995	April 1994
Cement, thousands of tonnes	2.0	110	90
Roof slate, millions of standard tiles	104	121	159
Construction brick, millions of standard bricks	406	97	87
Fabric, millions of square meters	64.9	91	46
Hosiery, millions of pair	12.9	120	63
Knitted items, millions of units	4.5	81	37
Footwear, millions of pair	2.5	134	62
Television sets, thousands	46.0	81	40
Radios, thousands	55.0	134	132
Refrigerators and freezers, thousands	104	101	58
Electric vacuum cleaners, thousands	39.0	114	66
Washing machines, thousands	69.8	113	60
Meat, including Category I subproducts	63.6	109	66
Whole-milk products recalculated as milk, thousands of tonnes	281	99.3	72
Butter, thousands of tonnes	15.0	127	69

PLANTING OF SPRING CROPS. By the beginning of May, planting work had been conducted on practically all territories of Russia. According to calculations, at agricultural enterprises and peasant (farmer-run) farms, by 3 May of this year spring crops had been planted on 26 million hectares, including grain crops--on 19 million hectares.

At agricultural enterprises during the past week the planting of spring crops had been conducted on an area of 13.8 million hectares, which is 2.1 times more than during the preceding period; grain crops had been planted on 9.8 million hectares or 1.9 times more, respectively. The course of spring planting at agricultural enterprises as of 3 May is characterized by the following data:

	thousands of hectares				
	1992	1993	1994	1995	1995 as a percentage of 1994
Spring crops—total, millions of hectares	16.2	11.9	11.2	23.5	209
of these:					
grain and legume crops (not including corn), millions of hectares	11.1	8.4	7.9	17.2	217
corn—total	395	433	448	413	92
including for grain	128	165	183	144	78
sugar beets (industrial)	745	471	404	671	166
sunflowers for seeds	851	495	617	1,288	209
annual grasses	1,960	1,314	1,106	2,694	244

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In a number of territories the planting of grain crops is nearing completion. On farms of Rostov Oblast, Tatarstan, and Bashkortostan as of 3 May spring grain crops (not including corn) had been planted on 90-95 percent of the same area that had been planted in these crops for last year's harvest, and Volgograd, Tambov, and Voronezh Oblasts and Stavropol Kray—74-84 percent, respectively.

PEASANT (FARMER-RUN) FARMS. The development of farming is an important part of the structural rearrangement of agriculture in Russia. The peak of the farmer movement came in 1992, when 134,000 farms were created, 1993—87,000, and 1994—9,000 farmer-run farms.

Because of the increase in the prices of material and technical resources, the higher cost of credit, the deterioration of the financial situation, and other factors, in 1994 27,000 farmer-run farms curtailed their activity (1993—14,000).

As of 1 January 1995 there were 279,000 farmyards with a land area of 11.9 million hectares (an average of 43 hectares per farm). The agricultural land on these farms amounts to 10.9 million hectares (92 percent of the land allotted to farmers), including plowed land—7.9 million hectares (67 percent). The farmers have 5.2 percent of the agricultural land in the country and 6.1 percent of the plowed land.

A considerable number of farmers have received comparatively small plots of land, which impedes the development of commodity production. More than half of them had 20 and fewer hectares of land, one-fourth—21-50 hectares, and only 7 percent of the farms had more than 100 hectares.

Last year (as in 1993) the farmers received 2 percent of all the gross agricultural output. In the structure of the production of farmers there is a predominance of growing grain crops (in 1994 they obtained 5 percent of the overall grain production), sunflower seeds (10 percent), and sugar beets (3.5 percent).

The proportion of animal husbandry products has increased somewhat, but, as usual, the farms produced less than 2 percent of the milk and meat. On average one farmer-run farm with livestock as of the beginning of this year had three head of cattle, including one cow, two hogs, and six head of sheep and goats.

The production of the main kinds of products on farmer-run farms is presented in the following table:

	1994		For reference: 1993	
	thousands of tonnes	share on all categories of farms, as percentages	thousands of tonnes	share on all categories of farms, as percentages
Grain (in weight after processing)	4,163	5.1	5,154	5.2
Sunflowers for seeds	260	10.2	273	9.9
Potatoes	302	0.9	376	1.0
Vegetables	111	1.1	102	1.0
Sugar beets (industrial)	487	3.5	1,000	3.9
Cattle and poultry sold for slaughter (in live weight)	169	1.6	139	1.2
Gross milk yield	655	1.5	495	1.1

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The productivity of the main agricultural crops except for sugar beets in 1994 on peasant farms was lower than on agricultural enterprises. This is explained largely by the fact that the land allotted to them, as a rule, requires a large amount of additional labor, and not all of them can afford the cost of improving the fertility.

In certain regions, farmers account for a significant share of the production of the main agricultural products. In Volgograd, Saratov, Chelyabinsk, and Omsk Oblasts they produce 10-12 percent of the grain, Smolensk, Samara, Rostov, and Orenburg Oblasts and Altay Kray—6-8 percent, Volgograd and Rostov Oblasts and Krasnodar Kray—12-14 percent of the sunflowers; and Novgorod, Astrakhan, Volgograd, Samara, Saratov, and Amur Oblasts—3-4 percent of the milk.

The State Committee on Statistics of Russia did a study of the activity of 28,500 peasant (farmer-run) farms (10 percent of the overall number of them) as of 1 January 1995. On average, there were three people for each farm studied. The majority of the farmers who were questioned last year made do with their own forces, and only a few of them hired additional labor force. On average, on each farm hired individuals worked 28 man-days.

The establishment of farming is proceeding with difficulty as usual. As in preceding years, more than 85 percent of those questioned consider the main impediment to further development of their farm to be the high prices of agricultural equipment and construction materials, and almost as many respondents named the high interest rates on credit.

There are still many problems with supplying farmers with technical equipment which, because of the excessively high prices, cannot be acquired by small farms. By the beginning of January 1994 for every 100 farms studied there were 79 tractors, 42 trucks, 20 grain-harvesting combines, 43 plows, and 35 seeders. This forces the farms to take the path of cooperation and to acquire and utilize equipment jointly. Almost 90 percent of the farmers questioned, because of their difficult financial situation, do not see any possibility of improving the technical supply for farms in the near future.

Of the 22,000 farmers questioned (8 percent of the number in existence as of 1 January 1995) only 5,000 (23 percent) applied fertilizers last year. For 1 hectare of planted area they applied 9.6 kg of mineral fertilizers (translated into 100 percent nutritive substances) and 0.4 tonnes of organic fertilizers. For agricultural enterprises these indicators were 2.5 kg and 1.8 tonnes, respectively.

Materials from the study show the great difficulties farmers have in building up their farms. Last year only 1 out of 50 farmers could afford to construct animal husbandry facilities, and only every 10th one was able to build a garage or storage facility, and very few indeed managed to introduce capacities for processing products. Previously constructed production facilities on the farms are in unsatisfactory condition: Two-thirds of the production structures do not have running water, 43 percent do not have electric energy, and almost half do not have normal approach roads.

The farms that ended up in the worst position were those created in 1993 and 1994. While farmers who organized their business before 1992 were still able to acquire technical equipment and livestock at affordable prices and to provide themselves with production structures, for the newly formed farms this is extremely difficult. Farmers of this group of farms as compared to those recently formed received 1.3-3 times more crop growing and animal husbandry products per unit of area.

The marketability of agricultural production on peasant farms last year increased somewhat for a number of products. They sold a total, including sales to the state, of 43-55 percent of the grain and milk, and 65-70 percent of the sunflower seeds, sugar beets, cattle and poultry, including through their own trading points—1-7 percent of the products produced. At the same time there was a significant proportion of farms that used all of the products they produced for their own consumption.

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	Groups of farms according to proportion of agricultural products sold in overall production volume (number of farms studied as percentages of total)			
	did not sell products	1-50 percent	50.1-60 percent	more than 70 percent
Grain (in weight after processing)	39	21	11	29
Sunflowers for seeds	32	8	8	52
Sugar beets (industrial)	40	2	1	57
Milk	58	16	7	19
Cattle and poultry of all types, for slaughter, in live weight	43	13	9	35

In a number of cases the farmers are experiencing difficulties in the sale of products, which is related to the shortage of cargo transportation, the lack of paved roads, the monopolies of procurement organizations, and the actual absence of their own processing base. A lack of confidence in the possibility of selling perishables is reflected in a curtailment of their production. Financial and economic difficulties, and also the absence of legal protection among almost half of the farmers questioned, evoke a lack of confidence in the further functioning of their farms. It is necessary to accelerate the transformation of land relations and to create a land market and agricultural banks for extending credit to farmer-run farms using the land and the future harvest as collateral, and to develop a network of small-scale wholesale and exchange trade in agricultural products, etc.

THE OPERATION OF URBAN ELECTRICITY-POWERED TRANSPORTATION. In the Russian Federation the transportation of passengers by ground electricity-powered transport is provided in 111 cities, in 26 of which there are only streetcars, in 43—only trolleybuses, and 42—both types of transportation. In October 1994 streetcar travel was eliminated in Karpinsk in Sverdlovsk Oblast. Subways are operating in six cities.

The production base for urban electricity-powered transport and the volumes of passenger transportation provided by them are characterized by the following data:

	1994	1994 as a percentage of 1993	Reference: 1993 as a percentage of 1992
Operating distance			
streetcar tracks, thousands of km	3.1	95	100.1
trolleybus lines, thousands of km	4.8	99.0	101
subway routes, km	376.8	101	102
Availability of rolling stock (as of end of year), thousands of units			
streetcars	13.5	97	97
trolleybuses	13.5	97	99.5
subway cars	5.7	102	101
Number of trips made—total, millions			
by streetcars	35.5	98	98
by trolleybuses	57.8	102	101
subway trains	4.6	98	101
Passengers transported by urban transport, millions			

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	1994	1994 as a percentage of 1993	Reference: 1993 as a percentage of 1992
streetcars	7,644	94	101
trolleybuses	8,751	96	106
subways	4,224	100.3	118

The operating distance of subway routes increased by 4.4 km in 1994. New sections were put into operation on the Yekaterinburg (2.4 km) and Moscow (2.0 km) subways.

In 1994 urban electricity-powered transport enterprises received 277 new streetcars and 645 new trolleybuses, which is barely half as many as in 1993. At the same time, the wear and tear on the rolling stock remains high. At the present time, 16 percent of the fully amortized trolleybuses and 14 percent of the streetcars are still in operation.

In Kaliningrad 70 percent of the streetcar fleet has a service life of 15 years and more; in Volgograd, Samara, Pyatigorsk, and Izhevsk—more than 50 percent; Ulyanovsk, Vladikavkaz, Salavat, Komsomolsk-na-Amure—more than 40 percent; Tver—more than 30 percent; and Tula, Arkhangelsk, Kolomna, Novotroitsk, Magnitogorsk, and Ryazan—more than 20 percent.

In Engels, almost 60 percent of the trolleybuses have been in operation for more than 10 years; in Abakan—51 percent; Moscow—48 percent; Nalchik—44 percent; Leninsk-Kuznetsk—43 percent; Balakovo, Yoshkar-Ola, Novocheboksarsk, and Chita—more than 30 percent; Astrakhan, Vratsk, Kaluga, Kurgan, Orel, Penza, Rastov-na-Donu, Rubtsovsk, Sterlitamak, and Tomsk—more than 20 percent.

In the permanent fleet of rolling stock of subways, 28 percent of the cars have been in operation for 15-25 years, and 13 percent of the cars—more than 25 years. The Moscow subway uses 215 cars (5 percent) that have served the normative service life (more than 30 years).

As a result, the main cause of down time of rolling stock that is not on the line is its technical disrepair.

In 1994 on a daily average, 26 percent of the trolleybuses were not in operation and 18 percent were idle during repair or waiting for it, and for streetcars these indicators were 32 percent and 23 percent, respectively, and subways—24 percent and 12 percent, respectively.

Because of down time during repair and waiting for it in Shakhti, Barnaul, Vladikavkaz, Volgodonsk, Novokuznetsk, Kaliningrad, Saransk, Dzerzhinsk, and Leninsk-Kuznetskiy, on a daily average more than 30 percent of the overall number of trolleybuses were not used, and in Volgograd, Cherkessk, Verezniki, and Tumen—more than one-fourth. Because of this factor 68 percent of the trolleybuses stood idle in Shakhti, 51 percent in Asktrakhan and Nizhniy Tagil, more than 40 percent in Vladikavkaz, Novokuznetsk, Novosibirsk, Ufa, and Kaliningrad, and more than 30 percent in Pyatigorsk, Ivanovo, Moscow, Tver, Dzerzhinsk, Zlatoust, and Krasnoyarsk.

During the year there were 112,000 cases where trolleybuses were returned from the line because of technical disrepair and 167,000 cases with streetcars.

The unsatisfactory technical condition of the rolling stock leads to failure to make the scheduled number of trips and failure to meet the established schedule. In 1994 4.7 million (8 percent) planned trolley trips were not made and 3.5 million (9 percent) streetcar trips.

In a number of cities there has been a significant reduction of the intensiveness of movement of ground passenger electricity-powered transport. The number of trolley trips made has decreased as compared to 1993 in Rostov-na-Donu—by 16 percent; Saransk—by 14 percent; Dzerzhinsk—by 12 percent; Kirov—by 11 percent; Rubtsovsk—by 10 percent; and St. Petersburg—by 8 percent; streetcars: in Nizhniy Tagil—30 percent; Krasnoturinsk and Rostov-na-Donu—22 percent; Volzhskiy—18 percent; Achinsk—17 percent; Barnaul—16 percent; and Krasnoyarsk—14 percent.

In spite of the significant rise of the fares for urban electricity-powered transport (in December 1994 as compared to December 1993 the fare for a streetcar trip increased by a factor of 13.6, trolley—by a factor of 12.4, and subways—by a factor of 10.8), the transportation of passengers by electricity-powered transport continues to be provided at a loss.

On average throughout Russia costs of maintaining and operating streetcar and trolley transportation in 1994 were compensated for by revenues from the sale of tickets to the population by 15 percent and 21 percent, respectively, and in 1993 these indicators were at the level of 8 percent and 10 percent.

In a number of cities in ground electricity-powered transport enterprises this level was considerably lower: In Voronezh expenditures on transporting passengers

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by streetcar were compensated for by only 4 percent and trolleybuses—by 5 percent, Dzerzhinsk—5 percent and 6 percent, respectively, Nizhniy Novgorod—9 percent and 8 percent, respectively, and Orel—9 percent and 8 percent, respectively. On trolley transportation in Novokuybyshevsk—6 percent, Ulyanovsk—9 percent; on streetcar transportation in Tula and Volzhskiy—9 percent, Moscow and Nizhnekamsk—8 percent, Ryazan—5 percent, Staryy Oskol and Nizhniy Tagil—6 percent.

On all subway systems of the Russian Federation in 1994 proceeds from the transportation of paying passengers covered expenditures by only 44 percent (in 1993—29 percent), including in Yekaterinburg—12 percent, Samara—15 percent, Nizhniy Novgorod—37 percent, Moscow—42 percent, St. Petersburg—51 percent, and Novosibirsk—85 percent.

THE EXISTENCE AND OPERATION OF COMMERCIAL SEAPORTS. At the present time the Russian Federation has 41 seaports in which 270 transshipment complexes are in operation for serving the transportation fleet with a dock front of 44,000 running meters and installed capacity for 154 million tonnes per year, of which 248 transshipment complexes with a capacity of 98 million tonnes are intended for handling dry cargo and 22 sets (59 million tonnes)—for liquid cargo.

Concentrated in the Far East are more than half of the capacities of port in Russia for handling general freight, 98 percent of the capacities for handling timber, and more than one-third of the capacities for handling bulk cargo.

In the Northwestern and Northern regions of Russia the largest and best equipped ports are: St. Petersburg, Arkhangelsk, Kaliningrad, Murmansk, and Kandalaksha, which account for 22 percent of the capacities of all the transshipment complexes of maritime commercial ports in the country; in the South—Novorossiysk, Tuapse, and Makhachkala (44 percent); and in the Far East—the ports of Vanino, Vostochnyy, Vladivostok, Kholmsk, Nakhodka, and Magadan (26 percent).

The country's port facilities are in need of development and modernization. Almost two-thirds of the Russian ports have shallow water and are not capable of receiving large modern ships. More than one-fourth of the dock front and enclosing structures are in unsatisfactory condition.

Russia does not have a single transshipment complex for handling chemical cargo and only two for food products (in Novorossiysk). There are no port facilities for handling grain in the Far East or for handling timber cargo in the North and Northwest regions. Practically all capacities for pumping liquid cargo (97 percent) are concentrated in the southern part of the country. But during the past two years not a single transshipment complex has been put into operation in the seaports.

With an overall reduction of the handling of cargo in maritime commercial ports of the country in 1994 the dispatch of export cargo has increased by almost one-fourth.

	1994	as percentage of 1993
Freight loaded and unloaded—total, millions of tonnes	59.5	87
including:		
export	38.0	124
import	8.6	45
cabotage	12.9	69
Of the overall quantity of freight loaded and unloaded		
Bulk and poured	23.4	103
including		
hard coal and coke	14.0	105
all types of ore and flux	3.6	102
chemical	3.6	170
bulk grain	2.5	21
timber	3.6	88
general	30.0	99.9
including all types of metal not being used	16.3	143

During January-February 1995 the volume of freight handled through the forces and means of the main commercial seaports of Russia amounted to 8.8 million tonnes, which is 0.2 percent less than during the same period of last year, including imports—0.8 million tonnes (53 percent less), and cabotage freight—1.4 million tonnes (23 percent less). At the same time there has been a significant (22 percent) increase in the handling of export freight, which amounted to 6.6 million tonnes.

As of 1 March 1995 the residuals of export freight in the main commercial seaports of the Russian Federation which were intended for transportation by sea-going ships decreased as compared to the same date of last year by 12 percent and amounted to 2.3 million tonnes.

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By the beginning of this March in the main commercial seaports of Russia there were 98,000 tonnes of products and goods intended for regions of the North, which is 29 percent less than as of 1 March 1994.

***Survey of Basic Directions in Socio-Economic Policy**

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[Article by Sergey Fateyev, head of the Reforma International Fund's Strategy Department: "The Standard of Living Is a Variable Quantity: the Income Policy and the Problems of Property-Based Differentiation of the Population. Some Results of Perestroyka and 3 Years of Reforms"]

[FBIS Translated Text] **The matters of the standard of living and incomes, especially in comparison with the developed countries, were some of the most important directions of the discussions on socio-economic themes, which raged in Soviet society during the years of perestroyka. The recognition of the total backwardness of the standards of living and consumption of the Soviet peoples and the dissatisfaction with the level of social development are precisely what served as some of perestroyka's "driving forces." Articles and commentaries with various types of comparisons about how people lived in "their" country and in ours enjoyed great popularity during those years. Inasmuch as the comparison was clearly not in our favor, naturally, the thought penetrated into the public consciousness that it was necessary, even if we could not overtake them, at least "to catch up to the rest" so that everything in our country would be the same as it is "for everyone else." Today, 10 years after the beginning of perestroyka and in the fourth year of the reforms, it is appropriate to tally some of the results and to analyze where we actually find ourselves and what we have received on the reforms' social field.**

Wages

Let us begin first with the most commonplace things — for example, with wages.

The minimum wage of 70 rubles [R], which existed in 1985 and which remained so until the moment of the USSR's collapse, was first established in the country back in 1972 in accordance with a decision of the 24th CPSU Congress. In 1985, it amounted to almost 37 percent of the average wage for the national economy, which came to R190 at that time.

Presently, despite the president's corresponding decision on the Duma-passed law on the minimum wage, the minimum of R20,500 remains in effect. For budget-funded organizations, as of 1 March 1995, the pay rate for the first pay grade amounts to R39,000. This amount is close to the minimum wage announced by the government in the law on the budget. Even if we start from this figure, then the minimum wage amounts to 11.5 percent of the average wage. Meanwhile, the disparity between the minimum and average wages does not reach such an extent in even one of the developed countries.

However, if the correlation between the minimum wage and the subsistence minimum is taken into account, then the picture is quite depressing. Thus, according to the data of the Mintrud Rossii [Russian Federation Ministry of Labor], the subsistence minimum in 1990 amounted to approximately R60, i.e., the minimum wage exceeded it by almost 17 percent. In February of 1995, the subsistence minimum amounted to R201,400, while the minimum wage was only 10 percent (!) of this. It fails to support not only the reproduction of the work force, but even simple biological survival. It follows from this that THE MINIMUM WAGE, in the course of the reforms in Russia, HAS LOST ALL SOCIO-ECONOMIC MEANING and can be viewed only as an accounting quantity for determining the various social payments, for calculating the rates for the pay scales and for the levying of fines and required payments.

The situation with respect to the average wage is also depressing. Whereas, in December of 1991, it was R296 and exceeded the subsistence minimum by a factor of nearly 5, in December of 1994, it now did so only by a factor of 2.5 and, in February of 1995, did so only by a factor of 1.8. The latter correlations also took into account payments of a social nature. Thus, THE PURCHASING POWER OF THE AVERAGE WAGE OVER THE TIME OF THE REFORMS HAS FALLEN IN RELATION TO THE SUBSISTENCE MINIMUM BY MORE THAN A FACTOR OF 2.5, which corresponds on the whole to the rate of decrease in the population's general monetary incomes (thus, according to the Institute for Economic Analysis' data, in January and February of 1995, the population's monetary incomes amounted in terms of fixed prices to approximately 38 percent of those for December of 1991). If the minimum wage has been converted into a base quantity for calculating wages in the budget-funded sphere, social payments, fines and so on and does not perform other functions, then THE AVERAGE WAGE, WITH RESPECT TO THE SOCIO-ECONOMIC PURPOSE, HAS ACTUALLY BEEN CONVERTED INTO THE

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MINIMUM WAGE, since it supports the reproduction of the capacity for work of a work force of the lowest skill level (money left over from the realization of the subsistence minimum goes for the support of children, their minimum education and so on, which is included in the concept of reproduction).

The ideologists of radical reforms, in their time, loved to use the indicators of the dollar equivalent as proof that wages in Russia had increased in comparison with the pre-reform period. Such types of comparisons are very improper. But, if this method is used all the same, then it will turn out that, in December of 1990, the average wage in dollar terms amounted approximately to $15-18 — at the black market exchange rate, to around $50 — at the tourist rate, and to $430 — at the official rate (not a single one of these figures is suitable from the standpoint of the estimation of the actual standard of living). The average wage, expressed in terms of the exchange rate for the Interbank Currency Exchange, amounted to around $38 in December of 1992, to $113 in December of 1993, to $100 in December of 1994 and to around $80 in February of 1995. Inasmuch as the structure and level of prices in Russia still differ from the world structure and level, then, when making a comparison with the USA, for example, it is necessary to take into account the fact that the level of the Russian prices currently comes to around 40 percent of that of the American prices.

If the data on the parity of the ruble's purchasing power compared to the dollar's is used, then the purchasing power of the average wage in Russia, according to our calculations, was approximately equivalent to: $320 in December of 1992, almost $400 in December of 1993, $280 in December of 1994 and around $190 in February of 1995. The sharp drop in the last indicator is associated not only with the substantial drop in actual ruble incomes at the beginning of 1995 in comparison with December of 1994, when additional payments based on the results for the year were made, but also with the abrupt change in the parity of the purchasing power of the ruble and the dollar. The determination of the dollar equivalent of the Russian wage with due consideration of the purchasing power's parity, despite the substantial shortcomings and errors, more adequately reflects the actual state of affairs. At the same time, however, it must be kept in mind that the minimum wage rate in the USA amounts to $4.25 per hour or around $680 calculated on a monthly basis, given an 8-hour workday and a 5-day workweek.

Thus, the average wage in Russia, based on its purchasing power, falls short of the minimum wage legislatively established in the USA by a factor of 3.5. And our minimum wage in February of 1995, with due consideration of the purchasing power's parity, amounted to... less than $12 or around 2 percent (!) of the American minimum wage. To put it bluntly, far from splendid describes the results of the 3 years of reforms, as a result of which, the enormous disparity in the incomes and standard of living of the bulk of the population, which existed during the second half of the eighties between the USSR and the USA, did not decrease, but rather, it increased even more. By any method of reckoning (with respect to the subsistence minimum and the purchasing power of wages), it increased by a factor of no less than 2. However, if the sharp decrease during the course of the reforms in Russia in material wealth distributed through social consumption funds (OFP) is taken into account, then it will turn out that this disparity is incomparably larger.

If the dynamics of the figures given above are analyzed, then one more regularity becomes evident — the level of actual wages has been falling over the course of the very reforms themselves. This trend began to become apparent very graphically at the beginning of this year after the sharp jump in prices for services and foodstuffs. If this trend grows stronger, then there may emerge in the forming Russian market an unusually serious problem, so to speak, of an institutional nature —its internal narrowness. Many experts are already pointing out this danger. If it is not overcome successfully, then the market reforms within the country may become futile.

The substantial drop in the share of wages in the population's incomes is another alarming trend which is not bringing us closer to the market, but rather, moving us away from it.

Thus, the share of wages in the population's monetary incomes amounted to 60.5 percent in 1993, it was already 46.6 percent in 1994 and, according to estimates, the share of wages in 1995 is supposed to fall to almost 40 percent.

Meanwhile, the share of wages in the developed countries, as a rule, does not fall below 60 percent, while the wage amounts make it possible for the main groups of the population to satisfy various needs sufficiently fully. The mechanism for labor motivation and raising labor productivity has begun working accordingly. On the whole, the market mechanism there (and wages are an important element of it) is working. But it is still not doing so in our country. An economy where the prices for basic commodities and services are approaching world prices, while the actual cost of labor has fallen relative to the "pre-market" level of 1991 by more than a factor of 2, cannot function normally. At the same time, more and more, WAGES ARE BEGINNING TO

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PLAY THE ROLE OF SOCIAL ASSISTANCE and to become detached from the sphere of outright labor relations. Yet, indeed, the yearning to restore to wages their basic functions was one of the slogans of perestroyka in the socio-economic sphere. In actuality, however, this problem has turned out not only not to be solved, but has become even more aggravated.

Pensions

Pension support in the USSR evoked just criticism during the years of perestroyka. However, the low pensions of many groups of pensioners (for example, of kolkhoz workers) were compensated for partly by the rigid regulation of prices for basic foodstuffs and public utilities, as well as housing, which made it possible on the whole for the pensioners to make ends meet. In addition, there was the widespread practice of pensioners participating in labor activities, which produced an opportunity to obtain additional income and, together with the pension, ensured a quite normal, by the existing standards, level of consumption. For example, back in 1976, the average wage for a working pensioner, based on the national economy, amounted to R112, while the average amount of the pension paid to him was R70, which together produced an income which ensured during those years not only a level of consumption which significantly exceeded the minimum one, but also made it possible to save money.

In December of 1991, the average pension amounted to 186 percent of the subsistence minimum for the entire population, while it was 78.8 percent in December of 1992, 94.6 percent in December of 1993 and 77.8 percent in December of 1994. However, if you take the correlation of the average pension to the subsistence minimum of a pensioner (which is very minimal), then the dynamics are these: 196 percent in December of 1991, 109 percent in 1992, 134 percent in 1993 and 110 percent in 1994. Thus, over the years of the reforms, THE AVERAGE PENSION DID NOT ALLOW A PENSIONER TO REACH THE MINIMUM LEVEL OF CONSUMPTION as calculated for the entire population and exceeded quite insignificantly the subsistence minimum for a pensioner, which meant a struggle for simple physical existence and an unworthy minimum for an elderly citizen of an industrial country.

There is also still a minimum pension. Its level over the years of the reforms has fluctuated from half to two-thirds of a pensioner's subsistence minimum. God alone knows how the people receiving such a pension are managing to live — according to the data of the Goskomstat [State Committee for Statistics], the incomes of almost 12 percent of the population in 1994 did not meet the cost of a bag of groceries.

If the dollar-equivalent method is used, then the average amount of an old-age pension in the USSR in 1985 came to R87.2 (or $134 at the official exchange rate), while the average pension in the USA at that time amounted to $479. Calculated based on the exchange rate of the MMVB [Moscow Interbank Currency Exchange], the average pension in Russia was $8 in December of 1992, $32 in December of 1993 and around $30 in December of 1994. Or, taking into account the ruble's purchasing power, around $70, $110 and $90, respectively.

However, the skimpy monetary incomes are, perhaps, not the most important factor of the basic change in the pensioners' social status over the years of the reforms. The following processes inflicted a very painful blow on this group of the population:

— the devaluation of investments. With respect to the pensioners, this was of special significance, since IT MADE THEIR WELL-BEING DIRECTLY DEPENDENT JUST ON CURRENT INCOMES, which have always been significantly lower for this group than those for the working part of the population;

— the high rate of inflation. Given the constantly lagging indexing, inflation is hitting the recipients of fixed social payments hardest;

— the increase in the cost of housing and public utilities. This is forcing part of the pensioners to reduce expenditures on the most necessary items and to live almost half-starving;

— the high prices for services are cutting off a significant part of the pensioners not only from such "exotic" pleasures as buying newspapers and magazines, inter-city trips and attending concerts and exhibitions, but are also making it impossible to make use of the services of tailor shops, laundries, dry cleaners, household equipment repair services and so on;

— the collapse of the social sphere, the curtailment of payments from the so-called social consumption funds and the commercialization of health care are making it impossible to receive routine treatments and to buy medicines, which is especially important to elderly people;

— and the tense situation in the labor market is leaving the pensioners with almost no chance of obtaining work which is stable and pays regularly.

Whereas, during the eighties, in the USSR, the non-working pensioners simply had a lower standard of living than the employed part of the population, one definable by objective standards as worthy poverty, at the present time, due to all the social (not to mention the psychological) burdens, the pensioners have become

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genuine SOCIAL OUTCASTS AND HOSTAGES OF THE SOCIO-ECONOMIC POLICY pursued in Russia in recent years. It is precisely this group of the population, having taken upon itself the main blow from the consequences of the price liberalization, the devaluation of investments and the commercialization of the social sphere, which has received nothing from the reforms. The pensioners have turned into potential (if there are any kind of real property and material assistance from children and grandchildren) and actual (if there are no such possibilities) paupers. Socially and demographically, the Russian reforms mean a process of total redistribution of social wealth in favor of middle-aged and young people at the expense of the older generation.

Changes in the Structure of Incomes and in Their Distribution

However, in addition to wages and pensions, there are also still other types of incomes, many of which have received "priority" development during the course of the reforms.

While the share of the various social payments (pensions and subsidies) within the structure of incomes is relatively stable, a decrease in the share of wages is occurring due to the increase in incomes from property, entrepreneurial activities, financial speculation and other types of activities not associated with wages. These sources provided 24.4 percent of incomes in 1993 and 38 percent in 1994 and, in 1995, their share may amount to something on the order of 45 percent.

First, about the sharp intensification of social inequality in favor of persons who are engaged in entrepreneurial activities and who own property. It is precisely their incomes which are "dragging down" the share of wages in the overall structure of incomes of the population.

Second, about the spread of various forms of "self-employment" of the population, including those groups which, while officially receiving wages for their main jobs, are seeking other sources of incomes.

Third, this structure of incomes under current Russian conditions assumes the expansion of the practice of evading taxes and the redistribution of their burden on incomes in the form of official payment for work.

Now let us examine how the population is broken down quantitatively by the level of average per capita income (see Table 1).

Table 1. Per Capita Income Distribution

Per Capita Income per Month in Thousands of Rubles	As a Percentage Compared to the Entire Population	
	1994	January-February 1995
Up to 20	0.5	0.0
20.1 - 60.0	11.7	2.9
61.0 - 180.0	47.6	29.6
181.0 - 360.0	27.7	35.0
361.0 - 540.0	8.0	16.3
More Than 540.0	4.5	16.2
Including More Than 1,000.0	—	3.6

It is difficult to track this distribution in itself. A much more convenient method is when the entire population is divided into five 20-percent groups and the entire total of the received incomes is distributed among these groups. The first group includes persons with the smallest incomes and the fifth group includes persons with the largest incomes. The distribution of monetary incomes will then look as it does in Table 2 (the last column contains information on the USA for the white population in 1991 for comparison purposes).

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Table 2. Monetary Income Distribution as a Percentage

					USA
	1991	1992	1993	1994	1991
Total Monetary Incomes	100	100	100	100	100
Including by 20% groups					
First	9.5	7.5	5.8	5.3	17.7
Second	14.0	12.6	11.1	10.2	19.6
Third	17.9	17.4	16.7	15.2	20.3
Fourth	22.8	23.0	24.8	23.0	20.8
Fifth	35.9	39.1	41.6	46.3	21.4

It is easy to note the steady decrease in the incomes of the first three groups, the relative stability of the fourth and the dynamic growth of the fifth. Meanwhile, in the USA, the incomes among the groups are distributed almost equally (it is true that the distribution is different for the Spanish-speaking and black populations).

Concealed behind the nearly ninefold disparity between the first and fifth groups are even more profound differences in the incomes of the 10 percent of the poorest persons and the richest persons — over the 4 years, it increased almost by a factor of 3. This correlation is called the decile factor and it amounted to 5.3 in 1991, 8.5 in 1992, 11.2 in 1993 and 15.1 in 1994. The increase in the decile factor is precisely one of the obvious and main social results of the reforms and testifies to the dynamic process of the redistribution of material wealth among the different groups of the population. Such stratification by income level inevitably causes strong social tension in society, which is all the more dangerous since the standard of living of the "lower strata" is at the limit of survival and, in numerical terms, the Russian poor make up almost a third of the population.

Thus, according to the State Committee for Statistics' data, the share of the Russian population living below the subsistence level (the poverty level) amounted to 30 percent in 1992, 33 percent in 1993, 24 percent in 1994 and 31 percent in January and February of 1995.

Meanwhile, in the RSFSR in 1988, the share of the population with an average per capita income below R75 per month (with an arbitrary subsistence minimum of R60) amounted to only 6.3 percent of the population. Compare the figures for 1995 and 1988 and you will sense the difference!

Regional Differentiation of Incomes and the Standard of Living

The regional aspect of income differentiation is very interesting. If a comparison is made of the purchasing power of the average wage with respect to the cost of a 19-item bag of groceries by regions, then, according to the Minekonomiki's [Ministry of Economics] data, in March of 1995, only in 9 (!) regions out of 76 for which a calculation was made was it possible to buy more than four bags of groceries for the average wage and they were among the regions with a high purchasing power. In all, 11.5 percent of Russia's population was living in them. At the same time, 46 regions were characterized by a low purchasing power level — in them, it was possible to buy less than three bags of groceries for the average wage.

Meanwhile, in March of 1994, there were 19 regions with a high purchasing power and 26 with a low one. Such a change over the course of a year testifies to the faster growth of prices in comparison with wages in the majority of regions.

The regions differ very greatly with respect to the amount of per capita incomes and the indicators of the retail commodity turnover. Thus, in December of 1994, with an average national per capita income of R378,600, it amounted to R876,400 in Moscow, but R144,600 in Adygea, which comes to 16.5 percent of Moscow's level. The contrasts with respect to the commodity turnover volumes is even more striking. In 1994, the annual commodity turnover calculated for a single worker in Moscow exceeded R6.1 million, while, in Dagestan, it amounted to R373,600 or just 6 percent of that for the Muscovite.

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To a large extent, this is associated with the difference in the levels of wages by regions. In November of 1994, with an average national wage of R281,600, it exceeded R749,000 in Magadan Oblast, while it amounted to just R107,000 in Dagestan. It is interesting that Moscow, absolutely detached from the rest of the regions with respect to the level of incomes and the commodity turnover (the latter, for example, is twice as large as in Karelia, which occupies second place in Russia), occupies a modest 14th place with respect to the amount of the average wage. This confirms once again the drop in the share of wages in the structure of incomes and testifies to the concentration in the Russian capital of groups of the population with high incomes from entrepreneurial activities, real estate and so on. This is partly associated with the increasing differentiation of wages by sectors, which, combined with regional specialization, is intensifying the disparity in incomes. Thus, in January of 1995, the average wage in the gas industry, taking into account the payments of a social nature, amounted to more than R1,278,000 (this is given the fact that it amounted to only 47 percent of that for December of 1994, when the payments based on the year's results were made), while it was only R204,000 in light industry. IT is understandable that, in light of just this factor, Ivanovo Oblast should differ substantially from Tyumen Oblast with respect to the level of incomes.

What is also having an effect on the amount of incomes and the standard of living is the amount of the indebtedness with respect to wages. On 1 March 1995, by the way, it exceeded R5.6 trillion. Calculated for a single worker, the overdue indebtedness amounted to R4,000 in Moscow on 1 January 1995, while it was almost R936,000 in Tyumen Oblast. To come up short by such imposing sums cannot help but have a telling effect on both the volume of consumption and the standard of living.

Whereas, previously in the USSR, the problems of social differentiation had been very acute, but, in principle, were explainable for such an enormous and multi-ethnic country (Moscow certainly should differ from Tuva), during the course of the reforms in Russia, these problems acquired a qualitatively different nature. This is evident extremely graphically in the comparison of the two cities which were previously extremely similar with respect to objective characteristics, Moscow and St. Petersburg.

Thus, in December of 1994, the per capita incomes amounted to R876,400 in Moscow and R321,100 in St. Petersburg (or 73 percent of Moscow's level), while the reported commodity turnover in St. Petersburg came to just 30 percent in comparison with Moscow. As for the average per capita consumption of basic foodstuffs (1993's data), it amounted in St. Petersburg to 77 percent of Moscow's level for meat and meat products, to 86 percent for milk and dairy products, to 57 percent for vegetables and melons, to 67 percent for fish and fish products, to 91 percent for vegetable oil, and so on. St. Petersburg was lagging behind even in the consumption of potatoes and bread. For the two largest cities, which have almost identical climatic conditions, a similar ethnic makeup and common consumption traditions, this difference with respect to basic foodstuffs is extremely substantial. It reflects quite clearly the difference in the standard of living.

However, if the sale of durable goods and cultural and household goods is calculated on a per capita basis, then the difference here between Moscow and St. Petersburgs is reckoned using factors. Thus, it amounted to a factor of 4.6 for vacuum cleaners, to a factor of 7 for passenger cars, to a a factor of 8 for tape recorders, to a factor of 8.6 for washing machines and television sets, and to a factor of 11.8 for refrigerators. It is understandable that it is impossible to use these figures literally to characterize the level of consumption of the two cities' inhabitants, since Moscow, as before, is the largest commercial center, in which goods are bought by the inhabitants of other cities and populated areas. But it is possible to judge the different quality of life in Moscow and St. Petersburg. First, this testifies to the different types of economic activities and to Moscow's absolute superiority in the development of a commodity-merchandising network and in the intensity of commercial activities. Second, to the enormous difference between the two cities in the volumes of the circulating money supply. And third, in addition, to the difference in the levels of incomes and consumption. Indeed, the profits from sales remain in Moscow's commercial structures, while a certain part of them inevitably also goes for the consumption of Moscow's inhabitants.

The existing differences between the two largest cities demonstrate graphically the intensification of inter-regional differentiation in both the development of market relations and the levels of incomes. The extent of this differentiation between some regions is so great that it is right to talk about basically different types of management and vital activity within the bounds of a single country. This situation is by no means conducive to either the formation of a unified market economy or the socio-political integration of Russia's population.

Some Conclusions

It will be possible to evaluate completely the profound socio-economic changes occurring in society only after

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the completion of the transition period. But, even now, based on the results of the 3 years of reforms (as well as the last years of perestroyka), it is possible to draw some conclusions, so to speak, of an intermediate nature.

The First Conclusion. A real revolution in incomes occurred in the country, which entailed a social restructuring of the population — a unique stratification revolution. Social groups of the population, as well as demographic ones sometimes, changed places not only with respect to the level of incomes, but also with respect to the opportunity to make management decisions, with respect to the accessibility of sources of information and with respect to social status. Basically new types of economic activities and new models of consumption and vital structures are emerging. This process is still extremely far from completion.

The Second Conclusion. The total social regrouping is being combined with a sharp intensification of the differentiation (not just property-based) between the various groups of the population. At the same time, THE STANDARD OF LIVING OF MORE THAN HALF OF THE POPULATION HAS FALLEN SIGNIFICANTLY over the last few years, it has become relatively stable for approximately a fifth of the population and it has risen for about 15 percent of the population. Finally, in the last group, several tens of thousands of people have reached a level which surpasses the average for developed countries, while several thousand have reached a level comparable with that of elite groups abroad and, based on all parameters, have become detached qualitatively from the rest of the population. For the bulk of the population, the perestroyka and transformations of 1992-1994 have produced nothing good in the social sense. Based on objective indicators of the standard of living, Russia's detachment from the developed countries has intensified in comparison with the pre-perestroyka period.

The Third Conclusion. Such dynamic processes, under the conditions of spontaneous progress and in the absence of any kind of purposeful influence on them whatsoever from society, could easily assume an antisocial nature, i.e., a socially dangerous nature.

It is precisely the uppermost part of the 15-percent group which is setting the tone for the "market" transformations, attempting to place them under control and to implement them "under themselves." It is precisely this part, in total with the 15-percent entourage, which may be viewed as the main social potential for the market's development, because, first of all, it shapes the demand for goods and services. If this situation continues for several more years, then the normal development of market relations may become impossible.

The Fourth Conclusion. Under the conditions of the absence of a unified market domain and the weakness of all the state institutions, the processes of the calamitous social restructuring are splitting the country into autonomous formations, frequently with opposing interests. Based on the majority of parameters, Moscow is beginning to stand out most sharply as a unique financial, commercial and information center. The intensification under market conditions of Moscow's new functions in combination with the preservation for it of the role of the political center is becoming fraught more and more with an acute disparity between the current Russian leadership's political course and the actual needs of the majority of its population.

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